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September 17, 1962

(Memorandum to Mr. Amory from Don Smith; Subject: New draft of CIA Retirement Legislation)

As explained in the attached letter from General Carter to the Director, the House Armed Services Committee requested CIA to provide a detailed draft bill for the proposed CIA retirement system in place of the "short version" cleared by the Bureau on August 13, 1962. Specifically, the new draft, also attached, provides, in lieu of amending the CIA Act of 1949 through the incorporation by reference of the retirement system and miscellaneous benefit provisions of the Foreign Service Act of 1946, detailed language drawn from the Act itself with appropriate modification for inclusion in an amended version of the CIA basic law.

As stated in General Carter's letter, the sections of the new draft generally represent direct borrowing from the Foreign Service Act with several minor exceptions, as follows:

Miscellaneous Benefits:

The sections of the CIA basic act giving miscellaneous authorities to the DCI are amended to include several minor authorities contained in the Foreign Service Act but which are not in the CIA law; these involve certain travel and hospitalization expenses. Also included is one provision not in the Foreign Service Act which would authorize the Agency to provide orientation and language training to members of families of employees prior to overseas assignment. Approval of this section would by specific legislative language endorse an administrative practice which has been conducted by CIA for several years under general authority contained in the CIA enabling act.

Retirement System:

Section 862 of the Foreign Service Act, providing for annual reports to the Congress on the condition of the retirement fund and estimates of appropriations for its financing, is not included in the CIA amendment. Presumably, information as to the condition of the fund and an annual request for appropriations would be made as part of the CIA's regular budget request and justification to the Congress.

Section 271 of the proposed CIA bill, regarding the recall of an annuitant to active duty, is analogous to Section 871 of the Foreign Service Act, except that in the CIA version the DCI would be given the authority to recall any pensioner to duty whenever he determines that such recall would be in the public interest. The language implies that a refusal would terminate benefits under CIA's retirement system.

CIA's draft contains a provision (Section 273), not in the Foreign Service Act, which explicitly states that any Agency employee who might be retired under the provisions of CIA's retirement system would not be barred from further Federal employment.